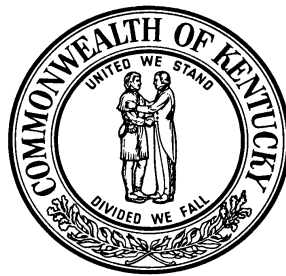


**REPORT OF THE AUDIT OF THE
MCLEAN COUNTY
FISCAL COURT**

**For The Fiscal Year Ended
June 30, 2007**



**CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS
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EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE MCLEAN COUNTY FISCAL COURT

**For The Fiscal Year Ended
June 30, 2007**

The Auditor of Public Accounts has completed the McLean County Fiscal Court audit for fiscal year ended June 30, 2007. We have issued unqualified opinions on the governmental activities, each major fund, and the aggregate remaining fund information of McLean County, Kentucky.

Financial Condition:

The fiscal court had total net assets of \$4,809,070 as of June 30, 2007 in its governmental activities. The fiscal court had unrestricted net assets of \$697,448 in its governmental activities. The fiscal court had total debt principal as of June 30, 2007 of \$5,071,551 with \$660,956 due within the next year.

Report Comment:

- The Fiscal Court Lacks Adequate Segregation Of Duties Over Receipts And Payroll

Deposits:

The fiscal court's deposits were insured and collateralized by bank securities.

CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT	1
MCLEAN COUNTY OFFICIALS	3
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS	7
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS.....	10
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS	14
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS.....	18
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS.....	23
NOTES TO FINANCIAL STATEMENTS	25
BUDGETARY COMPARISON SCHEDULES	47
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	51
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS.....	54
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS	58
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	63
COMMENT AND RECOMMENDATION	67
APPENDIX A:	
CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS	



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
Honorable Steven L. Beshear, Governor
Jonathan Miller, Secretary
Finance and Administration Cabinet
Honorable Larry Whitaker, McLean County Judge/Executive
Members of the McLean County Fiscal Court

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of McLean County, Kentucky, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the McLean County Fiscal Court. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, McLean County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of McLean County, Kentucky, as of June 30, 2007, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with the modified cash basis of accounting.

The County has not presented the management's discussion and analysis that the Governmental Accounting Standards Board (GASB) has determined is necessary to supplement, although not required to be part of, the basic financial statements. The Budgetary Comparison Schedules are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



To the People of Kentucky
Honorable Steven L. Beshear, Governor
Jonathan Miller, Secretary
Finance and Administration Cabinet
Honorable Larry Whitaker, McLean County Judge/Executive
Members of the McLean County Fiscal Court

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise McLean County, Kentucky's basic financial statements. The accompanying combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated June 24, 2008 on our consideration of McLean County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Based on the results of our audit, we present the accompanying comment and recommendation, included herein, which discusses the following report comment:

- The Fiscal Court Lacks Adequate Segregation Of Duties Over Receipts And Payroll

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a stylized flourish at the end.

Crit Luallen
Auditor of Public Accounts

June 24, 2008

MCLEAN COUNTY OFFICIALS**For The Fiscal Year Ended June 30, 2007****Fiscal Court Members:**

Larry Whitaker	County Judge/Executive
Kenny Wilson	Magistrate
Bobby Johnson	Magistrate
James Igleheart	Magistrate
Matthew Hayden	Magistrate

Other Elected Officials:

William Quisenberry, Jr.	County Attorney
Mike Sallee	Jailer
Linda Ray Johnson	County Clerk
Stephanie King	Circuit Court Clerk
Frank Cox, Jr.	Sheriff
Shelia Fulkerson	Property Valuation Administrator
John Muster, IV	Coroner

Appointed Personnel:

Sherry Boyken	County Treasurer
Betty Ray	Finance Officer

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MCLEAN COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

June 30, 2007

MCLEAN COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

June 30, 2007

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 698,351
Total Current Assets	<u>698,351</u>
Noncurrent Assets:	
Capital Assets - Net of Accumulated Depreciation	
Land and Land Improvements	819,971
Construction in Progress	68,518
Buildings	5,509,227
Other Equipment	557,579
Vehicles and Equipment	647,713
Infrastructure Assets	<u>1,579,262</u>
Total Noncurrent Assets	<u>9,182,270</u>
Total Assets	<u>9,880,621</u>
LIABILITIES	
Current Liabilities:	
Coal Severance Tax Anticipation Note	341,154
Bonds Payable	100,000
Financing Obligations Payable	<u>219,802</u>
Total Current Liabilities	<u>660,956</u>
Noncurrent Liabilities:	
Bonds Payable	3,010,000
Financing Obligations Payable	<u>1,400,595</u>
Total Noncurrent Liabilities	<u>4,410,595</u>
Total Liabilities	<u>5,071,551</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	4,110,719
Restricted For:	
Debt Service	903
Unrestricted	<u>697,448</u>
Total Net Assets	<u><u>\$ 4,809,070</u></u>

The accompanying notes are an integral part of the financial statements.

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MCLEAN COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended June 30, 2007

MCLEAN COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2007

		Program Revenues Received		
Functions/Programs Reporting Entity	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 1,836,086	\$ 10,561	\$ 411,909	\$ 11,893
Protection to Persons and Property	1,074,202	400,695	179,657	9,000
General Health and Sanitation	1,229,670	38,454		1,464,644
Social Services	88,175		33,448	
Recreation and Culture	68,442		66,786	
Transportation Facilities and Services	32,884			
Roads	388,706		856,994	
Debt Service	271,286		249,218	
Capital Projects	45,016			
Total Primary Government	\$ 5,034,467	\$ 449,710	\$ 1,798,012	\$ 1,485,537

General Revenues:

Taxes:

Real Property Taxes

Personal Property Taxes

Motor Vehicle Taxes

Occupational Taxes

Other Taxes

Excess Fees

Miscellaneous Revenues

Capital Assets Purchased by the Sheriff

Gain on Asset Traded-In

Interest Received

Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning (Restated)

Net Assets - Ending

The accompanying notes are an integral part of the financial statements.

MCLEAN COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended June 30, 2007
(Continued)

Net (Expenses) Revenues and Changes in Net Assets	
Primary Government	
Governmental Activities	
\$	(1,401,723)
	(484,850)
	273,428
	(54,727)
	(1,656)
	(32,884)
	468,288
	(22,068)
	(45,016)
	<u>(1,301,208)</u>
	368,051
	48,326
	86,088
	504,611
	295,517
	20,072
	304,784
	136,329
	21,775
	10,102
	<u>1,795,655</u>
	494,447
	<u>4,314,623</u>
\$	<u><u>4,809,070</u></u>

The accompanying notes are an integral part of the financial statements.

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MCLEAN COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

June 30, 2007

MCLEAN COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

June 30, 2007

	<u>Special Revenue Funds</u>			
	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Fire Department Fund</u>	<u>Community Development Block Grant Revolving Loan Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 333,193	\$ 5,797	\$ 109,490	\$ 137,412
Total Assets	<u>333,193</u>	<u>5,797</u>	<u>109,490</u>	<u>137,412</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Coal Severance Tax				
Anticipation Notes	<u>341,154</u>			
Total Liabilities	<u>341,154</u>			
FUND BALANCES				
Reserved for:				
Encumbrances	55,017		858	
Unreserved:				
General Fund	(62,978)			
Special Revenue Funds		5,797	108,632	137,412
Debt Service Fund				
Total Fund Balances	<u>(7,961)</u>	<u>5,797</u>	<u>109,490</u>	<u>137,412</u>
Total Liabilities and Fund Balances	<u>\$ 333,193</u>	<u>\$ 5,797</u>	<u>\$ 109,490</u>	<u>\$ 137,412</u>

The accompanying notes are an integral part of the financial statements.

MCLEAN COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
June 30, 2007
(Continued)

Non- Major Funds	Total Governmental Funds
<u>\$ 112,459</u>	<u>\$ 698,351</u>
<u>112,459</u>	<u>698,351</u>
	<u>341,154</u>
	<u>341,154</u>
7,456	63,331
	(62,978)
104,100	355,941
<u>903</u>	<u>903</u>
<u>112,459</u>	<u>357,197</u>
<u>\$ 112,459</u>	<u>\$ 698,351</u>

Reconciliation of the Balance Sheet -Governmental Funds to the Statement of Net Assets:

Total Fund Balances	\$ 357,197
Amounts Reported For Governmental Activities In The Statement Of Net Assets Are Different Because:	
Capital Assets Used in Governmental Activities Are Not Financial Resources And Therefore Are Not Reported in the Funds.	11,839,490
Accumulated Depreciation	(2,657,220)
Liabilities:	
Due Within One Year - Bonds and Lease Principal Payments	(319,802)
Due In More Than One Year - Bonds and Lease Principal Payments	<u>(4,410,595)</u>
Net Assets Of Governmental Activities	<u>\$ 4,809,070</u>

The accompanying notes are an integral part of the financial statements.

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MCLEAN COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For The Year Ended June 30, 2007

MCLEAN COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For The Year Ended June 30, 2007

	General Fund	Road and Fund	Fire Department Fund	Community Development Block Grant Revolving Loan Fund
REVENUES				
Taxes	\$ 1,076,499	\$ 127,592	\$	\$
Excess Fees	20,072			
Licenses and Permits	4,240			
Intergovernmental	1,709,815	856,994	41,600	
Charges for Services	28,261		40,219	
Miscellaneous	276,499	6,282		17,015
Interest	6,395	738	2,361	277
Total Revenues	<u>3,121,781</u>	<u>991,606</u>	<u>84,180</u>	<u>17,292</u>
EXPENDITURES				
General Government	894,409	4,800		
Protection to Persons and Property	100,953		56,243	
General Health and Sanitation	1,263,154	2,920		
Social Services				
Recreation and Culture	128,176			
Transportation Facilities and Services		32,884		
Roads		523,287		
Debt Service	184,843	34,899	44,534	
Capital Projects	172,916	45,000	12,290	
Administration	360,092	267,237		
Total Expenditures	<u>3,104,543</u>	<u>911,027</u>	<u>113,067</u>	
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>17,238</u>	<u>80,579</u>	<u>(28,887)</u>	<u>17,292</u>
Other Financing Sources (Uses)				
Transfers To Other Funds	(390,000)	(345,000)		
Transfers From Other Funds	345,000	30,000	50,000	
Financing Obligation Proceeds		45,000		
Total Other Financing Sources (Uses)	<u>(45,000)</u>	<u>(270,000)</u>	<u>50,000</u>	
Net Change in Fund Balances	(27,762)	(189,421)	21,113	17,292
Fund Balances - Beginning (Restated)	19,801	195,218	88,377	120,120
Fund Balances - Ending	<u>\$ (7,961)</u>	<u>\$ 5,797</u>	<u>\$ 109,490</u>	<u>\$ 137,412</u>

The accompanying notes are an integral part of the financial statements.

MCLEAN COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
For The Year Ended June 30, 2007
(Continued)

Non- Major Funds	Total Governmental Funds
\$ 98,459	\$ 1,302,550
667,437	687,509
	4,240
	2,608,409
352,557	421,037
37,304	337,100
194	9,965
<u>1,155,951</u>	<u>5,370,810</u>
81,761	980,970
767,362	924,558
	1,266,074
82,202	82,202
	128,176
	32,884
	523,287
279,189	543,465
	230,206
176,212	803,541
<u>1,386,726</u>	<u>5,515,363</u>
<u>(230,775)</u>	<u>(144,553)</u>
(120,000)	(855,000)
430,000	855,000
	45,000
<u>310,000</u>	<u>45,000</u>
79,225	(99,553)
33,234	456,750
<u>\$ 112,459</u>	<u>\$ 357,197</u>

The accompanying notes are an integral part of the financial statements.

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**MCLEAN COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For The Year Ended June 30, 2007

MCLEAN COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2007

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - Total Governmental Funds	\$	(99,553)
--	----	----------

Amounts Reported for Governmental Activities in the Statement of Activities Are Different Because Governmental Funds Report Capital Outlays as Expenditures. However, in the Statement of Activities, the Cost of Those Assets Are Allocated Over Their Estimated Useful Lives and Reported as Depreciation Expense.

Capital Outlay		699,258
Depreciation Expense		(339,327)
Net Book Value Of Disposed Assets		(5,400)

The Issuance of Long-term Debt (e.g. Bonds, Financing Obligations) Provides Current Financial Resources to Governmental Funds, While Repayment of Principal on Long-term Debt Consumes the Current Financial Resources of Governmental Funds. These Transactions, However, Have no Effect on Net Assets.

Financing Obligation Proceeds		(45,000)
-------------------------------	--	----------

Lease and Bond Principal Payments Are Expensed in the Governmental Funds as a use of Current Financial Resources.

Financing Obligations Principal Amount		189,469
Bond Payments		95,000

Change in Net Assets of Governmental Activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">494,447</div>
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**INDEX FOR NOTES
TO THE FINANCIAL STATEMENTS**

NOTE 1.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	25
NOTE 2.	DEPOSITS	31
NOTE 3.	CAPITAL ASSETS.....	32
NOTE 4.	LONG-TERM DEBT	33
NOTE 5.	FINANCING OBLIGATIONS.....	33
NOTE 6.	SHORT-TERM DEBT.....	41
NOTE 7.	INTEREST ON LONG-TERM DEBT AND FINANCING OBLIGATIONS	42
NOTE 8.	EMPLOYEE RETIREMENT SYSTEM	42
NOTE 9.	DEFERRED COMPENSATION	42
NOTE 10.	INSURANCE.....	42
NOTE 11.	PRIOR PERIOD ADJUSTMENTS.....	43
NOTE 12.	SUBSEQUENT EVENT	43

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 2007

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The county presents its government wide and fund financial statements in accordance with a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received and expenditures when paid. Notes receivable are recognized on the Statement of Net Assets, but notes receivable are not included and recognized on Balance Sheet - Governmental Funds. Property tax receivables, accounts payable, compensated absences, and donated assets, among other items, are not reflected in the financial statements.

Encumbrances lapse at year-end and are not reflected on the Statement of Net Assets and Statement of Activities; however encumbrances are reflected on the Balance Sheet - Governmental Funds as part of the fund balance (Reserved for Encumbrances).

The State Local Finance Officer does not require the county to report capital assets and infrastructure; however the values of these assets is included in the Statement of Net Assets and the corresponding depreciation expense is included on the Statement of Activities.

B. Reporting Entity

The financial statements of McLean County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14 and GASB 39, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Consequently, the reporting entity includes organizations that are legally separate from the primary government. Legally separate organizations are reported as component units if either the county is financially accountable or their exclusion would cause the county's financial statements to be misleading or incomplete. Component units may be blended or discretely presented. Blended component units either provide their services exclusively or almost entirely to the primary government, or their governing bodies are substantively the same as the primary government.

Blended Component Unit

The following legally separate organization provides its services exclusively to the primary government, and the fiscal court is able to impose its will on this organization. This organization's balances and transactions are reported as though they are part of the county's primary government using the blending method.

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Reporting Entity (Continued)

Blended Component Unit (Continued)

McLean County Justice Center Corporation

The McLean County Fiscal Court appoints a voting majority of the McLean County Justice Center Corporation's governing board and has the ability to impose its will on the governing board. In addition, the fiscal court is financially accountable and legally obligated for the debt of the McLean County Justice Center Corporation.

C. McLean County Elected Officials

Kentucky law provides for election of the officials below from the geographic area constituting McLean County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statements of McLean County, Kentucky.

Circuit Court Clerk
 County Attorney
 Property Valuation Administrator
 County Clerk
 County Sheriff

D. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on the non-fiduciary activities of the primary government and its non-fiduciary component units. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support. The County has no business-type activities. Fiduciary funds are not included in these financial statements due to the unavailability of fiduciary funds to aid in the support of government programs.

The statement of net assets presents the reporting entity's non-fiduciary assets and liabilities, the difference between the two being reported as net assets. Net assets are reported in three categories: 1) invested in capital assets, net of related debt - consisting of capital assets, net of accumulated depreciation and reduced by outstanding balances for debt related to the acquisition, construction, or improvement of those assets; 2) restricted net assets - resulting from constraints placed on net assets by creditors, grantors, contributors, and other external parties, including those constraints imposed by law through constitutional provisions or enabling legislation; and 3) unrestricted net assets - those assets that do not meet the definition of restricted net assets or invested in capital assets.

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function; 2) operating grants and contributions; and 3) capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources such as taxes and unrestricted state funds are reported as general revenues.

Generally and except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) November 1, due at discount November 30, due at face value December 30, delinquent January 1 following the assessment, and subject to lien and sale the 3rd Saturday in April following the delinquency date.

Funds are characterized as either major or non-major. Major funds are those whose assets, liabilities, revenues, or expenditures/expenses are at least ten percent of the corresponding total (assets, liabilities, etc.) for all funds or type (governmental or proprietary) and whose total assets, liabilities, revenues, or expenditures/expenses are at least five percent of the corresponding total for all governmental and enterprise funds combined. The fiscal court may also designate any fund as major.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the financial statements. The County has no proprietary funds.

Governmental Funds

The primary government reports the following major governmental funds:

General Fund - This is the primary operating fund of the Fiscal Court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

Road and Bridge Fund - This fund is for road and bridge construction and repair. The primary source of revenue for this fund is state payments for truck license distribution, municipal road aid, and transportation grants. The Department for Local Government requires the Fiscal Court to maintain these receipts and expenditures separately from the General Fund.

Fire Department Fund - The primary purpose of this fund is to account for the County's emergency services. The primary sources of revenue for this fund are grants and fees for services. The Department for Local Government requires the Fiscal Court to maintain these receipts and expenditures separately from the General Fund.

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

Governmental Funds (Continued)

Community Development Block Grant Revolving Loan Fund - The primary purpose of this fund is to promote community development. The primary source of revenue for this fund is grants. The Department for Local Government requires the Fiscal Court to maintain these receipts and expenditures separately from the General Fund.

The primary government also has the following non-major funds: Jail Fund, Local Government Economic Assistance Fund, Ambulance Fund, Adult Education Fund, 911 Fund, Senior Citizens Fund and the Justice Center Corporation Fund.

Special Revenue Funds:

The Road and Bridge Fund, Jail Fund, Local Government Economic Assistance Fund, Community Development Block Grant Revolving Loan Fund, Ambulance Fund, Adult Education Fund, 911 Fund, Fire Department Fund, and Senior Citizens Fund are presented as special revenue funds. Special revenue funds are to account for the proceeds of specific revenue sources and expenditures that are legally restricted for specific purposes.

Debt Service Fund:

The Justice Center Corporation Fund is presented as a debt service fund. Debt service funds are used to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

E. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

F. Capital Assets

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported in the applicable governmental or business-type activities of the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Land and Construction in Progress are not depreciated. Interest incurred during construction is not capitalized. Capital assets and infrastructure are depreciated using the straight-line method of depreciation over the estimated useful life of the asset.

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 25,000	50
Buildings	\$ 25,000	50
Building Improvements	\$ 25,000	50
Other Equipment	\$ 5,000	10
Vehicles and Equipment	\$ 10,000	10
Infrastructure	\$ 25,000	50

G. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable financial statements. The principal amount of bonds, notes and financing obligations are reported.

In the fund financial statements, governmental funds recognize bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as expenditures. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Debt proceeds are reported as other financing sources.

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

H. Fund Equity

In the fund financial statements, the difference between the assets and liabilities of governmental funds is reported as fund balance. Fund balance is divided into reserved and unreserved components, with unreserved considered available for new spending. Unreserved fund balances may be divided into designated and undesignated portions. Designations represent fiscal court's intended use of the resources and should reflect actual plans approved by the fiscal court.

Governmental funds report reservations of fund balance for amounts that are legally restricted by outside parties for use for a specific purpose and encumbrances.

"Reserved for Encumbrances" are purchase orders that will be fulfilled in a subsequent fiscal period. Although the purchase order or contract creates a legal commitment, the fiscal court incurs no liability until performance has occurred on the part of the party with whom the fiscal court has entered into the arrangement. When a government intends to honor outstanding commitments in subsequent periods, such amounts are encumbered. Encumbrances lapse at year-end and are not reflected on the Statement of Net Assets and Statement of Activities, however encumbrances are reflected on the Balance Sheet - Governmental Funds as part of the fund balance.

I. Budgetary Information

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by June 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

J. Related Organization and Jointly Governed Organization

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, McLean County has no organizations considered related organizations of the McLean County Fiscal Court.

A regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that created the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility. Based on these criteria, the McLean County Parks Board, the Paradise Park Regional Industrial Development Authority, Inc., the Four Star Regional Industrial Park, the Bluegrass Crossing Industrial Park, and the McLean County Cemetery Board are considered jointly governed organizations of the McLean County Fiscal Court.

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

K. Joint Ventures

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. Based on these criteria, McLean County Planning and Zoning Commission, Connect GRADD, Northwest Kentucky Forward, and Tri-County Recycling are considered joint ventures of the McLean County Fiscal Court.

Note 2. Deposits

The primary government maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) in accordance with KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

Custodial Credit Risks - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). As of June 30, 2007, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	Reporting Entity			
	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government:				
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land and Land Improvements	\$ 819,971	\$	\$	\$ 819,971
Construction in Progress	20,050	68,518	(20,050)	68,518
Total Capital Assets Not Being Depreciated	840,021	68,518	(20,050)	888,489
Capital Assets, Being Depreciated:				
Buildings	6,596,516	247,894		6,844,410
Other Equipment	1,002,405	115,671	(54,000)	1,064,076
Vehicles and Equipment	1,293,567	127,829		1,421,396
Infrastructure	1,461,723	159,396		1,621,119
Total Capital Assets Being Depreciated	10,354,211	650,790	(54,000)	10,951,001
Less Accumulated Depreciation For:				
Buildings	(1,221,294)	(113,889)		(1,335,183)
Other Equipment	(471,137)	(83,960)	48,600	(506,497)
Vehicles and Equipment	(647,999)	(125,684)		(773,683)
Infrastructure	(26,063)	(15,794)		(41,857)
Total Accumulated Depreciation	(2,366,493)	(339,327)	48,600	(2,657,220)
Total Capital Assets, Being Depreciated, Net	7,987,718	311,463	(5,400)	8,293,781
Governmental Activities Capital Assets, Net	\$ 8,827,739	\$ 379,981	\$ (25,450)	\$ 9,182,270

Depreciation expense was charged to functions of the primary government as follows:

<u>Governmental Activities:</u>	
General Government	\$ 86,571
Protection to Persons and Property	149,644
General Health and Sanitation	18,540
Social Services	5,973
Recreation and Culture	8,784
Roads, Including Depreciation of General Infrastructure Assets	69,815
Total Depreciation Expense - Governmental Activities	\$ 339,327

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 4. Long-term Debt

Series 2001A First Mortgage Revenue Bonds

On March 1, 2001, the McLean County Justice Center Corporation issued First Mortgage Revenue Bonds, Series 2001A in the amount of \$3,550,000. The bonds were dated March 1, 2001, payable semi-annually on March 1 and September 1, beginning September 1, 2001. The interest rate on the bonds ranges from 4.0% to 5.0%. The McLean County Fiscal Court has a sublease with Administrative Office of the Courts, Commonwealth of Kentucky, for approximately 100% of the McLean County Judicial Center. The bonds were issued in denominations of \$5,000 each or integral multiples thereof and mature at various dates beginning March 1, 2003 through March 1, 2018. The bonds are subject to early redemption prior to maturity. Principal outstanding as of June 30, 2007 was \$3,110,000. Future debt service requirement are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 100,000	\$ 149,250
2009	105,000	145,150
2010	110,000	140,793
2011	115,000	136,118
2012	115,000	131,172
2013-2017	670,000	571,050
2018-2022	845,000	392,845
2023-2027	<u>1,050,000</u>	<u>161,500</u>
Totals	<u>\$ 3,110,000</u>	<u>\$ 1,827,878</u>

Note 5. Financing Obligations

A. Battle of Sacramento - Grant Anticipation

On March 29, 2002, the McLean County Fiscal Court borrowed \$360,000 from Kentucky Association of Counties Leasing Trust for the acquisition of land and construction of a museum. The interest rate is variable, with payments due monthly for 20 years. The principal balance at June 30, 2007 was \$64,912. Future interest and principal requirements of the General Fund are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 21,887	\$ 2,853
2009	22,988	1,758
2010	<u>20,037</u>	<u>590</u>
Totals	<u>\$ 64,912</u>	<u>\$ 5,201</u>

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 5. Financing Obligations (Continued)

B. Series 2001 Renovation

On December 3, 2001, the McLean County Fiscal Court borrowed \$295,000 from Kentucky Area Development District Financing Trust in order to pay off an existing KADD lease and to complete the renovations of the McLean County Courthouse. The interest rate is variable, with semi-annual interest payments due on the 20th of April and October for 25 years. The principal balance at June 30, 2007 was \$270,000. Future interest and principal requirements of the General Fund are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 5,000	\$ 15,513
2009	10,000	15,155
2010	10,000	14,670
2011	10,000	14,170
2012	10,000	13,640
2013-2017	50,000	59,800
2018-2022	70,000	43,480
2023-2027	85,000	21,410
2028	20,000	810
Totals	<u>\$ 270,000</u>	<u>\$ 198,648</u>

C. Health Department

On May 10, 2001, the McLean County Fiscal Court borrowed \$300,000 from Kentucky Area Development District Leasing Fund (KADD) for improvements to the Health Department. The interest rate is 5.44%, with semi-annual payments due on the 20th of May and November for 10 years. The principal balance at June 30, 2007 was \$170,000. Future interest and principal requirements of the General Fund are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 30,000	\$ 9,025
2009	30,000	7,375
2010	35,000	5,588
2011	35,000	3,663
2012	40,000	1,350
Totals	<u>\$ 170,000</u>	<u>\$ 27,001</u>

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 5. Financing Obligations (Continued)

D. Various Construction Projects

On June 20, 2003, the McLean County Fiscal Court borrowed \$345,000 from Kentucky Association of Counties Leasing Trust for the purpose of financing various construction projects. The interest rate is variable, with payments due monthly for ten years. The principal balance at June 30, 2007 was \$223,275. Future interest and principal requirements of the General Fund are:

Fiscal Year Ended June 30	Principal	Interest
2008	\$ 32,714	\$ 10,542
2009	34,394	8,860
2010	36,160	7,098
2011	38,017	5,244
2012	39,969	3,300
2013	42,021	1,252
Totals	<u>\$ 223,275</u>	<u>\$ 36,296</u>

E. Dump Trucks

On May 14, 2003, the McLean County Fiscal Court borrowed \$155,000 from Kentucky Associations of Counties Leasing Trust for the purpose of purchasing two tandem dump trucks. The interest rate is variable, with payments due monthly for ten years. The principal balance at June 30, 2007 was \$100,300. Future interest and principal requirements of the Road and Bridge Fund are:

Fiscal Year Ended June 30	Principal	Interest
2008	\$ 14,696	\$ 4,736
2009	15,450	3,980
2010	16,244	3,189
2011	17,078	2,356
2012	17,955	1,482
2013	18,877	562
Totals	<u>\$ 100,300</u>	<u>\$ 16,305</u>

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 5. Financing Obligations (Continued)

F. Fire Trucks

On May 14, 2003, the McLean County Fiscal Court borrowed \$175,000 from Kentucky Associations of Counties Leasing Trust for the purpose of purchasing two fire trucks. The interest rate is variable, with payments due monthly for ten years. The principal balance at June 30, 2007 was \$113,243. Future interest and principal requirements of the Fire Department Fund are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 16,592	\$ 5,346
2009	17,444	4,494
2010	18,340	3,600
2011	19,282	2,659
2012	20,272	1,674
2013	<u>21,313</u>	<u>635</u>
Totals	<u>\$ 113,243</u>	<u>\$ 18,408</u>

G. Sewer Project

On July 26, 2001, the McLean County Fiscal Court borrowed \$400,000 from Kentucky Association of Counties Leasing Trust for the construction of and improvements to the McLean County sewer system. The interest rate is variable, with payments due monthly for twenty years. The principal balance at June 30, 2007 was \$315,000. Future interest and principal requirements of the General Fund are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 15,000	\$ 16,677
2009	15,000	15,867
2010	20,000	14,944
2011	20,000	13,864
2012	20,000	12,783
2013-2017	115,000	46,565
2018-2022	<u>110,000</u>	<u>12,920</u>
Totals	<u>\$ 315,000</u>	<u>\$ 133,620</u>

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 5. Financing Obligations (Continued)

H. Fire Truck - Eastern Fire District

On June 20, 2002, the McLean County Fiscal Court and Eastern Fire District, a volunteer fire department, entered into a promissory note and loan agreement with the Commission on Fire Protection Personnel Standards and Education in the amount of \$75,000. The interest rate is 3.0%. Principal and interest are due in equal annual installments in the amount of \$7,535. The principal balance at June 30, 2007 was \$45,703. Future interest and principal requirements of the Fire Department Fund are:

Fiscal Year Ended June 30	Principal	Interest
2008	\$ 6,202	\$ 1,370
2009	6,350	1,185
2010	6,540	995
2011	6,736	798
2012	6,938	596
2013-2014	12,937	562
Totals	<u>\$ 45,703</u>	<u>\$ 5,506</u>

I. Fire Truck - Western Fire District

On June 20, 2002, the McLean County Fiscal Court and Western Fire District, a volunteer fire department, entered into a promissory note and loan agreement with the Commission on Fire Protection Personnel Standards and Education in the amount of \$75,000. The interest rate is 3.0%. Principal and interest are due in equal annual installments in the amount of \$7,535. The principal balance at June 30, 2007 was \$45,703. Future interest and principal requirements of the Fire Department Fund are:

Fiscal Year Ended June 30	Principal	Interest
2008	\$ 6,202	\$ 1,370
2009	6,350	1,185
2010	6,540	995
2011	6,736	798
2012	6,938	596
2013-2014	12,937	562
Totals	<u>\$ 45,703</u>	<u>\$ 5,506</u>

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 5. Financing Obligations (Continued)

J. Fire Truck - Southeastern/Island Fire District

On July 26, 2002, the McLean County Fiscal Court and Southeastern/Island Fire District, a volunteer fire department, entered into a promissory note and loan agreement with the Commission on Fire Protection Personnel Standards and Education in the amount of \$75,000. The interest rate is 3.0%. Principal and interest are due in equal annual installments in the amount of \$7,535. The principal balance at June 30, 2007 was \$45,703. Future interest and principal requirements of the Fire Department Fund are:

Fiscal Year Ended June 30	Principal	Interest
2008	\$ 6,202	\$ 1,370
2009	6,350	1,185
2010	6,540	995
2011	6,736	798
2012	6,938	596
2013-2014	12,937	562
Totals	<u>\$ 45,703</u>	<u>\$ 5,506</u>

K. Ambulance

On July 21, 2004, the McLean County Fiscal Court borrowed \$77,695 from the Kentucky Association of Counties Leasing Trust for the purpose of purchasing a 2003 E-450 XL Ambulance. The interest rate is 4.25%, with payments due monthly for eight years. The principal balance at June 30, 2007 was \$41,558. Future interest and principal requirements of the Ambulance Fund are:

Fiscal Year Ended June 30	Principal	Interest
2008	\$ 9,502	\$ 2,425
2009	9,785	1,941
2010	10,077	1,445
2011	10,378	933
2012	4	406
2013	1,812	15
Totals	<u>\$ 41,558</u>	<u>\$ 7,165</u>

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 5. Financing Obligations (Continued)

L. Sewer Project

On June 25, 2005, the McLean County Fiscal Court borrowed \$95,000 from Kentucky Association of Counties Leasing Trust for the construction of and improvements to the McLean County sewer system. The interest rate is 4.25%, with payments due monthly for fifteen years. The principal balance at June 30, 2007 was \$85,000. Future interest and principal requirements of the General Fund are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 5,000	\$ 4,151
2009	5,000	4,000
2010	5,000	3,749
2011	5,000	3,497
2012	5,000	3,251
2013-2017	25,000	12,492
2018-2021	<u>35,000</u>	<u>4,345</u>
Totals	<u>\$ 85,000</u>	<u>\$ 35,485</u>

M. Fire Station Construction

On November 9, 2005, the McLean County Fiscal Court entered into an agreement with the Kentucky Association of Counties Leasing Trust. The agreement was for the construction of a fire station. The principal was \$250,000 at 4.25%, with payment due June 20, 2007. The principal balance at June 30, 2007 was \$40,000. Future interest and principal requirements of the Fire Department Fund are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 40,000	\$ 161
Totals	<u>\$ 40,000</u>	<u>\$ 161</u>

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 5. Financing Obligations (Continued)

N. Senior Citizens Services Van

On March 27, 2006, the McLean County Fiscal Court borrowed \$20,000 from the Kentucky Association of Counties Leasing Trust for the purpose of purchasing a 2005 Ford Van for Senior Citizens Services. The interest rate is 4.25%, with payments due monthly for three years. The principal balance at June 30, 2007 was \$15,000. Future interest and principal requirements of the Senior Citizens Fund are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 5,000	\$ 1,546
2009	10,000	804
Totals	<u>\$ 15,000</u>	<u>\$ 2,350</u>

O. Backhoe

On July 20, 2007, the McLean County Fiscal Court borrowed \$45,000 from the Kentucky Association of Counties Leasing Trust for the purpose of purchasing a backhoe. The interest rate is 4.25%, with payments due monthly for seven years. The Fiscal Court has elected to include this transaction in the current year, since the asset was purchased on June 29, 2007. The principal balance at June 30, 2007 was \$45,000. Future interest and principal requirements of the Road and Bridge Fund are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 6,032	\$ 2,141
2009	6,903	2,006
2010	7,258	1,652
2011	7,630	1,280
2012	8,022	890
2013-2014	9,155	500
Totals	<u>\$ 45,000</u>	<u>\$ 8,469</u>

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 5. Financing Obligations (Continued)

P. Changes In Long-term Liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
<u>Governmental Activities:</u>					
Revenue Bonds	\$ 3,205,000	\$	\$ 95,000	\$ 3,110,000	\$ 100,000
Financing Obligations	1,764,866	45,000	189,469	1,620,397	219,802
Governmental Activities					
Long-term Liabilities	<u>\$ 4,969,866</u>	<u>\$ 45,000</u>	<u>\$ 284,469</u>	<u>\$ 4,730,397</u>	<u>\$ 319,802</u>

Note 6. Short-term Debt

On July 19, 2006, the County borrowed \$526,000 from Kentucky Association of Counties Leasing Trust as a Motor Fuel Tax Anticipation Note for various additions and improvements to roads and highways permitted by the Road Aid Act. The interest rate is 4.25%. As of June 30, 2007, no remaining debt is outstanding.

On October 2, 2006, the County borrowed \$400,000 from Kentucky Association of Counties Leasing Trust as a Coal Severance Tax Anticipation Note. The interest rate is 4.25%. On July 20, 2007, the Fiscal Court refinanced the Fire Station and Coal Severance Tax Anticipation Note in the amount of \$382,771. As of June 30, 2007, the balance was \$341,154.

On July 5, 2006, McLean County Fiscal Court participated in the Kentucky Association of Counties Advance Revenue Program by issuing a note in the amount of \$853,400, with principal being due in January 2007. While the Fiscal Court did not use the borrowed funds in order to meet current General Fund expenses, they were able to reinvest the funds and receive net interest earnings from the Kentucky Association of Counties Kentucky Advance Revenue Program of \$5,832.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
<u>Governmental Activities:</u>					
Motor Fuel Tax Anticipation	\$	\$ 526,000	\$ 526,000	\$	\$
Coal Severance Tax					
Anticipation Note		400,000	58,846	341,154	341,154
Kentucky Advance Revenue Program		853,400	853,400		
Governmental Activities					
Short-term Liabilities	<u>\$ 0</u>	<u>\$ 1,779,400</u>	<u>\$ 1,438,246</u>	<u>\$ 341,154</u>	<u>\$ 341,154</u>

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 7. Interest On Long-term Debt and Financing Obligations

Debt Service on the Statement of Activities includes \$116,722 in interest on financing obligations and \$153,050 in interest on bonds.

Note 8. Employee Retirement System

The County has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost sharing, multiple-employer defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5% of their salary to the plan. The county's contribution rate for nonhazardous employees was 13.19%.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report. This report may be obtained by writing the Kentucky Retirement System, 1260 Louisville Road, Frankfort, Kentucky 40601-6124, or by telephone at (502) 564-4646.

Note 9. Deferred Compensation

In January 2003, the McLean County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by the Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax sheltered supplementary retirement plans for all state, public school and university employees and employees of local political subdivisions that have elected to participate. These deferred compensation plans permit all full time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing the Kentucky Public Employees' Deferred Compensation Authority at 101 Sea Hero Road, Suite 110, Frankfort, Kentucky, 40601-8862, or by telephone at (502) 573-7925.

Note 10. Insurance

For the fiscal year ended June 30, 2007, McLean County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

MCLEAN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007
(Continued)

Note 11. Prior Period Adjustments

Beginning net assets of governmental activities has been restated by \$34,773 from \$4,279,850 to \$4,314,623 as explained below. The beginning balances of the General Fund, Road and Bridge Fund, and Fire Department Fund were restated as well for prior year voided checks.

	Governmental Activities
Beginning net assets at June 30, 2006	\$ 4,279,850
Prior year voided checks	501
Prior year payroll error correction	2,000
Adjustment to increase capital asset beginning balance for construction in progress left off in previous year	20,050
Adjustment to decrease accumulated depreciation beginning balance for depreciation taken in error	<u>12,222</u>
Restated beginning net assets at June 30, 2006	<u><u>\$ 4,314,623</u></u>

Note 12. Subsequent Event

On July 20, 2007, the McLean County Fiscal Court borrowed \$382,771 from the Kentucky Association of Counties Leasing Trust for the purpose of refinancing fire station and coal severance tax anticipation note. The interest rate is 5.06%, with payments due monthly for six years, and commencing on August 20, 2007.

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MCLEAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2007

MCLEAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2007

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 983,476	\$ 983,476	\$ 1,076,499	\$ 93,023
In Lieu Tax Payments	2,500	2,500		(2,500)
Excess Fees	17,020	17,020	20,072	3,052
Licenses and Permits	4,590	4,590	4,240	(350)
Intergovernmental Revenue	3,606,878	3,606,878	1,709,815	(1,897,063)
Charges for Services	36,200	36,200	28,261	(7,939)
Miscellaneous	153,825	153,825	276,499	122,674
Interest	9,500	9,500	6,395	(3,105)
Total Revenues	<u>\$ 4,813,989</u>	<u>\$ 4,813,989</u>	<u>\$ 3,121,781</u>	<u>\$ (1,692,208)</u>
EXPENDITURES				
General Government	960,775	960,775	894,409	66,366
Protection to Persons and Property	142,140	142,140	100,953	41,187
General Health and Sanitation	1,997,703	2,052,000	1,263,154	788,846
Social Services	6,000	6,000		6,000
Recreation and Culture	464,353	464,353	128,176	336,177
Debt Service	167,840	247,000	184,843	62,157
Capital Projects	395,052	395,052	172,916	222,136
Administration	503,528	717,617	360,092	357,525
Total Expenditures	<u>\$ 4,637,391</u>	<u>\$ 4,984,937</u>	<u>\$ 3,104,543</u>	<u>\$ 1,880,394</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>176,598</u>	<u>(170,948)</u>	<u>17,238</u>	<u>188,186</u>
OTHER FINANCING SOURCES (USES)				
Transfers To Other Funds	(237,701)	(237,701)	(390,000)	(152,299)
Transfers From Other Funds	216,614	216,614	345,000	128,386
Financing Obligation Proceeds		400,000		(400,000)
	<u>\$ (21,087)</u>	<u>\$ 378,913</u>	<u>\$ (45,000)</u>	<u>\$ (423,913)</u>
Net Changes in Fund Balance	155,511	207,965	(27,762)	(235,727)
Fund Balance - Beginning	<u>166,511</u>	<u>166,511</u>	<u>19,801</u>	<u>(146,710)</u>
Fund Balance - Ending	<u>\$ 322,022</u>	<u>\$ 374,476</u>	<u>\$ (7,961)</u>	<u>\$ (382,437)</u>

MCLEAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2007
(Continued)

ROAD AND BRIDGE FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 120,000	\$ 120,000	\$ 127,592	\$ 7,592
Intergovernmental Revenue	1,178,487	1,178,487	856,994	(321,493)
Charges for Services	400	400		(400)
Miscellaneous	7,500	7,500	6,282	(1,218)
Interest	1,350	1,350	738	(612)
Total Revenues	<u>\$ 1,307,737</u>	<u>\$ 1,307,737</u>	<u>\$ 991,606</u>	<u>\$ (316,131)</u>
EXPENDITURES				
General Government	4,800	4,800	4,800	
General Health and Sanitation	7,000	7,000	2,920	4,080
Transportation Facilities and Services	34,000	34,000	32,884	1,116
Roads	836,403	814,325	523,287	291,038
Debt Service	569,570	571,225	560,899	10,326
Capital Projects	50,000	13,043		13,043
Administration	215,490	272,870	267,237	5,633
Total Expenditures	<u>\$ 1,717,263</u>	<u>\$ 1,717,263</u>	<u>\$ 1,392,027</u>	<u>\$ 325,236</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>(409,526)</u>	<u>(409,526)</u>	<u>(400,421)</u>	<u>9,105</u>
OTHER FINANCING SOURCES (USES)				
Tax Anticipation Note	526,140	526,140	526,000	(140)
Transfers To Other Funds	(216,614)	(216,614)	(345,000)	(128,386)
Transfers From Other Funds			30,000	30,000
	<u>\$ 309,526</u>	<u>\$ 309,526</u>	<u>\$ 211,000</u>	<u>\$ (98,526)</u>
Net Changes in Fund Balance	(100,000)	(100,000)	(189,421)	(89,421)
Fund Balance - Beginning	<u>100,000</u>	<u>100,000</u>	<u>195,218</u>	<u>95,218</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,797</u>	<u>\$ 5,797</u>

MCLEAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2007
(Continued)

FIRE DEPARTMENT FUND				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 23,750	\$ 23,750	\$ 18,996	\$ (4,754)
Charges for Service	56,000	56,000	40,219	(15,781)
Interest			2,361	2,361
Total Revenues	79,750	79,750	61,576	(18,174)
EXPENDITURES				
Protection to Persons and Property	76,246	110,591	56,243	54,348
Debt Service	20,717	22,586	21,930	656
Capital Projects	50,000	50,000	12,290	37,710
Administration	64,766	28,552		28,552
Total Expenditures	211,729	211,729	90,463	121,266
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(131,979)	(131,979)	(28,887)	103,092
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	23,379	23,379	50,000	26,621
Total Other Financing Sources (Uses)	23,379	23,379	50,000	26,621
Net Changes in Fund Balance	(108,600)	(108,600)	21,113	129,713
Fund Balance - Beginning	108,600	108,600	88,377	(20,223)
Fund Balance - Ending	\$ 0	\$ 0	\$ 109,490	\$ 109,490

MCLEAN COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2007
(Continued)

COMMUNITY DEVELOPMENT BLOCK GRANT				
REVOLVING LOAN FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 9,000	\$ 9,000	\$	\$ (9,000)
Miscellaneous			17,015	17,015
Interest			277	277
Total Revenues	9,000	9,000	17,292	8,292
EXPENDITURES				
Administration	149,000	149,000		149,000
Total Expenditures	149,000	149,000		149,000
Net Changes in Fund Balance	(140,000)	(140,000)	17,292	157,292
Fund Balance - Beginning	140,000	140,000	120,120	(19,880)
Fund Balance - Ending	\$ 0	\$ 0	\$ 137,412	\$ 137,412

MCLEAN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2007

Note 1. Budgetary Information

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by June 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

Note 2. Reconciliation of Required Supplementary Information to Statement of Revenues, Expenditures, and Changes in Fund Balances

Following is a summary of adjustments that convert the cash basis budgetary schedules to the modified cash basis of accounting used in the Statement of Revenues, Expenditures, and Changes in Fund Balances:

Road and Bridge Fund:

Total Expenditures - Budgetary Basis	\$ 1,392,027
Plus: Capital Outlay - John Deere Backhoe	45,000
Less: Motor Fuel Tax Anticipation Note	<u>(526,000)</u>
Total Expenditures - Modified Cash Basis	<u>\$ 911,027</u>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ 211,000
Plus: Financing Obligation Proceeds	45,000
Less: Motor Fuel Tax Anticipation Note	<u>(526,000)</u>
Total Other Financing Sources (Uses) - Modified Cash Basis	<u>\$ (270,000)</u>

Fire Department Fund:

Total Revenue - Budgetary Basis	\$ 61,576
Plus: Debt Service Payments Paid By State	<u>22,604</u>
Total Revenue - Modified Cash Basis	<u>\$ 84,180</u>
Total Expenditures - Budgetary Basis	\$ 90,463
Plus: Debt Service Payments By State	<u>22,604</u>
Total Expenditures - Modified Cash Basis	<u>\$ 113,067</u>

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MCLEAN COUNTY
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS -
MODIFIED CASH BASIS

Other Supplementary Information

June 30, 2007

MCLEAN COUNTY
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS -
MODIFIED CASH BASIS
Other Supplementary Information

June 30, 2007

	Special Revenue Funds			
	Local			
	Government			
	Jail	Economic	Ambulance	Adult
	Fund	Assistance	Fund	Education
	Fund	Fund	Fund	Fund
ASSETS				
Cash and Cash Equivalents	\$ 3,811	\$ 24,153	\$ 20,600	\$ 20,013
Total Assets	<u>\$ 3,811</u>	<u>\$ 24,153</u>	<u>\$ 20,600</u>	<u>\$ 20,013</u>
FUND BALANCES				
Reserved for				
Encumbrances	\$	\$	\$ 7,420	\$
Unreserved:				
Special Revenue Funds	3,811	24,153	13,180	20,013
Debt Service Fund				
Total Fund Balances	<u>\$ 3,811</u>	<u>\$ 24,153</u>	<u>\$ 20,600</u>	<u>\$ 20,013</u>

The accompanying notes are an integral part of the financial statements.

MCLEAN COUNTY
 COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS -
 MODIFIED CASH BASIS
 Other Supplementary Information
 June 30, 2007
 (Continued)

<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	
<u>911 Fund</u>	<u>Senior Citizens Fund</u>	<u>Justice Center Corporation Fund</u>	<u>Total Non-Major Governmental Funds</u>
\$ 40,801	\$ 2,178	\$ 903	\$ 112,459
<u>\$ 40,801</u>	<u>\$ 2,178</u>	<u>\$ 903</u>	<u>\$ 112,459</u>
\$ 36	\$	\$	\$ 7,456
40,765	2,178		104,100
		903	903
<u>\$ 40,801</u>	<u>\$ 2,178</u>	<u>\$ 903</u>	<u>\$ 112,459</u>

The accompanying notes are an integral part of the financial statements.

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MCLEAN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information
For The Year Ended June 30, 2007

MCLEAN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information

For The Year Ended June 30, 2007

	Special Revenue Funds			
	Local			
	Government			
	Jail	Economic	Ambulance	Adult
	Fund	Assistance	Fund	Education
	Fund	Fund	Fund	Fund
REVENUES				
Taxes	\$	\$	\$	\$
Intergovernmental	61,638	135,138	10,684	94,813
Charges for Services	1,150		351,407	
Miscellaneous	30,105	137	847	435
Interest				
Total Revenues	92,893	135,275	362,938	95,248
EXPENDITURES				
General Government		12,000		69,761
Protection to Persons and Property	189,931		429,371	
Social Services				
Debt Service			22,801	
Administration	11,939	35	100,266	10,255
Total Expenditures	201,870	12,035	552,438	80,016
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(108,977)	123,240	(189,500)	15,232
OTHER FINANCING SOURCES (USES)				
Transfers To Other Funds		(120,000)		
Transfers From Other Funds	111,000	2,000	207,000	
Total Other Financing Sources (Uses)	111,000	(118,000)	207,000	
Net Changes in Fund Balances	2,023	5,240	17,500	15,232
Fund Balances - Beginning (Restated)	1,788	18,913	3,100	4,781
Fund Balances - Ending	\$ 3,811	\$ 24,153	\$ 20,600	\$ 20,013

The accompanying notes are an integral part of the financial statements.

MCLEAN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information
For The Year Ended June 30, 2007
(Continued)

<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	
<u>911 Fund</u>	<u>Senior Citizens Fund</u>	<u>Justice Center Corporation Fund</u>	<u>Total Non-Major Governmental Funds</u>
\$ 98,459	\$	\$	\$ 98,459
82,498	33,448	249,218	667,437
			352,557
26	5,754		37,304
		194	194
<u>180,983</u>	<u>39,202</u>	<u>249,412</u>	<u>1,155,951</u>
			81,761
148,060			767,362
	82,202		82,202
	6,824	249,564	279,189
<u>43,422</u>	<u>10,295</u>		<u>176,212</u>
<u>191,482</u>	<u>99,321</u>	<u>249,564</u>	<u>1,386,726</u>
<u>(10,499)</u>	<u>(60,119)</u>	<u>(152)</u>	<u>(230,775)</u>
			(120,000)
<u>51,000</u>	<u>59,000</u>		<u>430,000</u>
<u>51,000</u>	<u>59,000</u>		<u>310,000</u>
40,501	(1,119)	(152)	79,225
<u>300</u>	<u>3,297</u>	<u>1,055</u>	<u>33,234</u>
<u>\$ 40,801</u>	<u>\$ 2,178</u>	<u>\$ 903</u>	<u>\$ 112,459</u>

The accompanying notes are an integral part of the financial statements.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

Honorable Larry Whitaker, McLean County Judge/Executive
Members of the McLean County Fiscal Court

**Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of McLean County, Kentucky, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 24, 2008. McLean County presents its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered McLean County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of McLean County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of McLean County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the modified cash basis of accounting such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying comment and recommendation to be a significant deficiency in internal control over financial reporting.

- The Fiscal Court Lacks Adequate Segregation Of Duties Over Receipts and Payroll



Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

Internal Control Over Financial Reporting (Continued)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether McLean County Fiscal Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of McLean County Fiscal Court and the Department for Local Government and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", written in a cursive style.

Crit Luallen
Auditor of Public Accountants

June 24, 2008

**MCLEAN COUNTY
COMMENT AND RECOMMENDATION**

For The Year Ended June 30, 2007

**MCLEAN COUNTY
COMMENT AND RECOMMENDATION**

Fiscal Year Ended June 30, 2007

SIGNIFICANT DEFICIENCY AND MATERIAL WEAKNESS:

The Fiscal Court Lacks Adequate Segregation Of Duties Over Receipts and Payroll

The County Treasurer receives mail, posts to the receipts ledger, prepares bank reconciliations, prepares bank deposits, makes bank deposits, and prepares financial reports. The County Treasurer performs the entire payroll function including, among other duties, preparing payroll records, preparing payroll checks, and posting payroll expenses.

The Fiscal Court should implement compensating controls to offset this control deficiency. Someone independent of the Treasurer could reconcile monthly reports to source documents and/or receipts ledger. Someone should recount deposits prepared by Treasurer. Someone independent of the Treasurer should compare a receipts listing to daily deposits and posting as well as review bank reconciliations. Department heads should compare payroll records to timesheets and payroll checks to payroll records.

County Judge Executive, Larry Whitaker's Response: None.

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**CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS**

MCLEAN COUNTY FISCAL COURT

**For The Fiscal Year Ended
June 30, 2007**

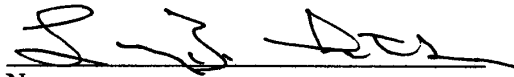
CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS

MCLEAN COUNTY FISCAL COURT

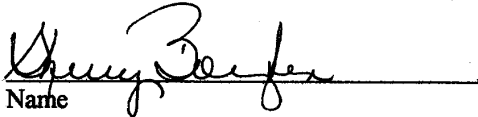
For The Fiscal Year Ended June 30, 2007

The McLean County Fiscal Court hereby certifies that assistance received from the Local Government Economic Development Program and Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Name

County Judge/Executive



Name

County Treasurer

